

Appeal No. VA95/1/043

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 1988**  
**VALUATION ACT, 1988**

**John Moran**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: House and shop at Map Ref: 13.14, Townland: Tullowphelim (pt. of), ED: Tullow Urban,  
RD: Carlow, Co. Carlow

Quantum - Affect on rent of poor structural condition and design

**B E F O R E**

**Mary Devins**

**Solicitor (Acting Chairman)**

**Brid Mimmagh**

**Solicitor**

**Patrick Riney**

**FRICS.MIAVI**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 29TH DAY OF JULY, 1996**

By Notice of Appeal dated the 20th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £140 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:-

- "1) The valuation is excessive and inequitable
- 2) The valuation bad in law."

**The Property:**

The property comprises a three storey residential shop premises with a ground floor shop, part residential and part storage use overhead and substantial showroom located to the rear. The property is located on the northwest side of Market Square, Tullow, Co. Carlow.

Accommodation comprises a ground floor shop with showroom, a first floor and residential accommodation.

**Valuation History:**

The property was revised in 1983 to take account of alterations and extensions and the rateable valuation was increased from £23.50 to £105. The valuation was revised in 1985 and remained unchanged at £105. Following an appeal this figure was reduced to £90. The premises was listed for revision in 1987 but no change was made to the valuation. The premises was listed for revision again in 1993 to take account of alterations and extensions and the valuation was increased to £140. The appellant was aggrieved by this revision and appealed to the Commissioner of Valuation.

**Written Submissions:**

A written submission was received on the 26th day of June 1996 from Mr. John Devlin, ARICS of Donal O'Buachalla & Company Limited, Rating & Property Consultants on behalf of the appellant.

In his written submission, Mr. Devlin described the subject premises, set out its accommodation and condition, and gave his valuation considerations. Mr. Devlin assessed rateable valuation on the subject premises by two methods which are set out below.

***Valuation method no. 1***

NAV/RV as a percentage of capital value and cost (1988).

Capital value of front building and site to the rear     £ 70,000

\*Building cost of showroom     £ 43,200

Total value/cost     £113,200

NAV at 14% (say 7 YP)     £ 16,171 RV @ 0.5% £80.

\* Construction cost for the entire showroom based on the cost of the 1992 showroom extension at construction cost index to 1988.

***Valuation method no. 2***

NAV based on a rental/NAV evidence

	<b>Rent psf</b>	<b>Rent pa</b>
Front shop	645 sq.ft. @ £7	£ 4,515.00
Rear shop, link block office	807 sq.ft. @ £3.50	£ 2,824.50
First floor store	613 sq.ft. @ £1	£ 613.00
First & Second floor residential	968 sq.ft. @ £1	£ 968.00
Showroom	7,400 sq.ft. @ £1.50	<u>£11,100.00</u>
Total		<u>£20,000.00</u>

Less allowance for poor repair, location, deficient access & quantum

Say 25%	£ 5,000
NAV	£ 15,000.
RV @ 0.5%	£75.

Mr. Devlin gave details of four comparisons which are summarised below.

**1) FBD Insurance**

The Square, Tullow.

*Rent analyses at:*

719 sq.ft. @ £9.73 psf

**2) Former Flynn's Garage**

Church Street, Tullow.

Sold around 1987 for £30,000. The property comprises a single storey former garage of approximately 3,000 sq.ft.

**3) Old Charm Furniture**

Rathvilly, Co. Carlow.

1990/4 first appeal. RV £28

*Analyses at:*

Ground floor showroom 3,275 sq.ft. @ £1.60

Lofted store 968 sq.ft. @ 40p

**4) Supervalu**

Arlington Centre, Portarlinton, Co. Laois.

1994/3 Annual revision. RV £100

*Rateable valuation devalues as follows:*

Shop & Store 8,116 sq.ft. @ £2.25

A written submission was received on the 17th day of June 1996 from Mr. Tom Cuddihy, a District Valuer in the Valuation Office with 29 years experience.

In his written submission, Mr. Cuddihy described the subject premises, its accommodation, valuation history and valuation considerations. He set out his calculation of the rateable valuation as follows:-

## Valuation

Front shop	721 sq.ft. @ £7	= £ 5,047
Rear shop	624 sq.ft. @ £3.50	= £ 2,184
Showroom at rear	7,413 sq.ft. @ £2.50	= £18,532
1st floor store	613 sq.ft. @ £1.50	= £ 919
Residential accommodation worth Say		= <u>£ 1,500</u>
		<u>£28,182</u>

$$\text{Est. NAV} = \text{£}28,000 \times 0.5\% = \text{£}140.$$

Mr. Cuddihy gave details of three comparisons which are set out below.

### 1) 18.19/b Market Square

Shop 883 sq.ft. @ £9 = £7,947  
Est. NAV £8,000 x 0.5% = £40. RV £40.

## 2) 8a Market Square

Front shop	441 sq.ft. @ £6.50 = £ 2,866
Rere shop	3,023 sq.ft. @ £3.50 = £10,580
1st floor stores	3,627 sq.ft. @ £1.50 = £ 5,440
1st & 2nd floor	1,248 sq.ft. worth = <u>£ 1,000</u>
	<u>£19,886</u>

Est. NAV = £20,000 x 0.5% = £100. RV £100.

### 3) 7.8 Church Street

Front shop	731 sq.ft. @ £7 = £	5,117
Rere shop	251 sq.ft. @ £3 = £	753
Old stores at rere	worth	= £ 3,500
Domestic (1st floor)	worth	= <u>£ 1,000</u>
		£10,370

Est. NAV = £10,400 x 0.5% = £52. RV £52.

**Oral Hearing:**

The oral hearing took place in Kilkenny on the 2nd day of July 1996. The appellant was represented by Mr. John Devlin of Messrs. Donal O'Buachalla & Company Limited. Also present were Mr. Ronan Clarke, Consultant Engineer, Mr. Gerard McNamara of the appellant company and Mr. Roger Keogh also of Messrs. Donal O'Buachalla & Company Limited.

Mr. Tom Cuddihy of the Valuation Office appeared on behalf of the respondent.

At the outset, Mr. Devlin confirmed that he accepted Mr. Cuddihy's figures in relation to the ground floor area of the subject property.

He stated that there was very little evidence in relation to letting values in Tullow and that whatever rental property there was, was let on a week to week basis. It was inappropriate therefore, to value the property on a square foot basis.

Mr. Devlin submitted that the subject property because of its irregular shape, poor structural condition and severely limited rear access is virtually unlettable and certainly not lettable at £28,000 per annum as estimated by Mr. Cuddihy.

Replying to Mr. Cuddihy, Mr. Devlin said that the cost of the new extension to the property in 1992 was £27,668.25 for 3,600 square feet.

Mr. Ronan Clarke, BSc.Eng. referred to his written report and said that his estimate of the cost of essential repairs and work on the old section of the property would be in the region of £30,000 to £50,000.

Mr. McNamara gave evidence that the market in Tullow had been declining since 1991 and that the extension to the property had been built at a time when it was understood that the County Council was about to develop a car park to the rear of the property and thereby enlarge the rear access. This proposed development had not in fact taken place and the subject property now included a large new store/showroom with the same extremely limited access. Mr. McNamara said in evidence that access to the back avenue by trucks proved extremely difficult and time wasting.

Mr. Cuddihy submitted that the location of the subject hereditament was excellent. He said that the market square was the main trading area of the town and that there was parking there for some 30 to 40 cars.

He said that, based on comparable rental values, he had made sufficient allowances for the drawbacks and disadvantages of the subject.

Mr. Cuddihy submitted that if one were to apply the 25% reduction as suggested by Mr. Devlin, to his figure of £1.50 psf for the new showroom, it would reduce that valuation to an unacceptably low level.

**Determination:**

The location of the subject hereditament is undoubtedly in the best commercial area of Tullow, but it must be borne in mind that Tullow is a small town with a largely agricultural hinterland and is only 9 miles from the much larger town of Carlow.

The Tribunal accepts the evidence of Mr. Clarke and Mr. McNamara in relation to the poor structural condition of the older original section of the hereditament and in relation to the disadvantages of the unsuitable staircase and internal layout and in particular to the extremely restricted rear access.

The Tribunal does not accept, as suggested by Mr. Devlin, that an overall reduction of 25% should be applied to his estimate of net annual value on a square foot basis.

Taking into account, however, the comparative evidence adduced by both parties, somewhat limited as it is agreed to be, together with the evidence of witnesses, the Tribunal determines that the correct rateable valuation of the subject hereditament is £95.